

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2010-220-C - ORDER NO. 2010-567  
AUGUST 17, 2010

IN RE: Application of Global Connection	)	ORDER GRANTING
Incorporated of America for a Certificate of	)	MOTION FOR
Public Convenience and Necessity to Provide	)	EXPEDITED REVIEW
Resold Long Distance Telecommunications	)	AND CERTIFICATE
Services and for Alternative Regulation of	)	
Long Distance Service Offerings	)	

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Global Connection, Incorporated (Global Connection or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of interexchange telecommunications services within the State of South Carolina. Subsequent to the filing of the Application, Global Connection, by way of a Motion for Expedited Review, requested that the matter be scheduled for final disposition by the Commission at its earliest opportunity. Global Connection is a corporation organized under the laws of the State of Georgia and is authorized to transact business within the State of South Carolina by the Secretary of State.

The Commission’s Clerk’s Office instructed Global Connection to publish a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to provide notice of the Application to any interested parties and to advise interested parties of the manner and time in which

to file pleadings to participate in the docket. Global Connection filed Affidavits of Publication as proof that it had complied with the instructions of the Clerk's Office. No Petitions to Intervene, letters of protest, or comments were received by the Commission with regard to the Application.

### **MOTION FOR EXPEDITED REVIEW**

Subsequent to Notice of the Application being published and after the return date expired with no intervention or opposition, Global Connection requested expedited review and waiver of a hearing in the matter. Global Connection also filed the verified testimony of Mark Ellis, Chief Executive of the Company, to support the Application. The matter was brought to the Commission for consideration.

Upon consideration of Global Connection's request for expedited review (waiver of hearing), the Commission finds that expedited review should be granted. In its request, Global Connection waived its right to a formal hearing. The Commission finds that notice of the Application was properly afforded to the public and that no interested person sought to become a party to the proceeding. The Commission finds that procedural due process was afforded in this matter and further finds that Global Connection made a knowing waiver of a formal hearing. Therefore, the Commission will consider the Application in the context of its regularly scheduled weekly meeting, with court reporter present, and, for purposes of the expedited review, the Commission will deem the examination of the Application and verified testimony during the course of the Commission's regularly scheduled meeting with court reporter present as a hearing on this matter.

According to the Application and the verified testimony of Mark Ellis, Global Connection is a Georgia corporation that has received authorization to transact business within the State of South Carolina. Global Connection seeks authority to operate as a reseller of intrastate interexchange telecommunications services to the public on a statewide basis.

Global Connection is a Competitive Local Exchange Carrier (CLEC) licensed by the Commission to provide local exchange service within the State of South Carolina. The Commission authorized Global Connection of South Carolina Inc. to provide local exchange service on July 19, 2000, under Docket No. 2000-149-C and facilities-based UNE-P service on January 25, 2002, under the same docket number. The Commission approved the name change from Global Connection of South Carolina, Inc. to Global Connection Inc. of America on August 26, 2008, in Order No. 2008-598. The Company states that, with regard to its long distance services, the Company intends to rely on the expertise of its underlying carriers for maintenance and administration of the underlying network used to provide long distance services.

Global Connection proposes to offer resold long distance services in the State of South Carolina. Additionally, Global Connection does not own any transmission facilities in South Carolina. Global Connection will resell long distance service by using the facilities of other carriers. Furthermore, customers who have concerns about their bills or complaints about Global Connection may contact Global Connection by writing to the Company's business address or calling customer service representatives twenty-four hours a day, seven days a week.

Mr. Ellis described the Company's technical and managerial qualifications to provide telecommunications services in South Carolina. The testimony reveals that Global Connections' management team is composed of individuals who have significant experience in business generally and telecommunications specifically.

Regarding the Company's financial resources to provide telecommunications services in South Carolina, Mr. Ellis testified that Global Connection has the financial resources to provide the proposed services in South Carolina. Mr. Ellis concluded by testifying that Global Connection obtaining a Certificate from this Commission will allow the Company to provide economical, efficient, and high quality local and long distance telephone service, using existing facilities.

Mr. Ellis testified that Global Connection had been declared exempt from any record-keeping rules or regulations that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts in Order No. 2000-580, since the Company maintains its books in accordance with Generally Accepted Accounting Principles (GAAP). The Company requests a continuation of that exemption. Global Connection also requests a waiver of 26 S.C. Code Ann. Regs. 103-610, which requires that it keep its books and records within the State of South Carolina, and also a waiver of 26 S.C. Code Ann. Regs. 103-612.2.3, which requires that the Company file operating maps with the Commission. The Company desires to maintain its books and records at its headquarters in Norcross, Georgia. Further, the Company intends to offer its long distance services statewide, thus obviating the need for operating maps.

Upon review and consideration of the Application, the verified testimony of Mr. Ellis, and the applicable law, the Commission hereby issues its findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. Global Connection is organized as a company under the laws of the State of Georgia and has been authorized by the Secretary of State to transact business within the State of South Carolina.

2. Global Connection is a provider of long distance telecommunications services and wishes to provide long distance services in South Carolina. Global Connection already operates as a reseller of local telecommunications services.

3. Global Connection has the experience, capability, and financial resources to provide the services as described in its Application.

4. The Commission finds it appropriate for Global Connection's interexchange telecommunications services to be regulated in accordance with procedures established in Order Numbers 95-1734 and 96-55 in Docket Number 95-661-C, as modified by Order No. 2001-997 in Docket No. 2000-407-C.

**CONCLUSIONS OF LAW**

1. The Commission concludes that Global Connection possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that the issuance of the authority to provide intrastate interexchange telecommunications services as requested by Global Connection

and as set forth in its Application and Ms. Ellis's testimony is in the best interests of the citizens of the State of South Carolina.

3. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to Global Connection to provide resold intrastate interexchange telecommunications services.

4. The Commission adopts a rate design for Global Connection for its residential interexchange services, if any, which include maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. *In Re: Application of GTE Sprint Communications Corporation, etc.*, Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

5. Global Connection shall not adjust its residential interexchange rates for end-users, if any, below the approved maximum level without notice to the Commission and to the public. Global Connection shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. *In Re: Application of GTE Sprint Communications, etc.*, Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general

ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2009).

6. The Commission concludes that Global Connection's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid

upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission.

7. We conclude that Global Connection's request for waiver of 26 S.C. Code Ann. Regs. 103-610 and 103-612.2.3 should be granted, and any exemptions from Commission rules and regulations previously granted will continue. The waivers are not contrary to the public interest.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to Global Connection to provide intrastate interexchange services through the resale of services authorized for resale by tariffs of carriers approved by the Commission within the State of South Carolina.

2. The Company's rate designs for its products shall conform to those designs described in Conclusions of Law above.

3. The Company shall file, if it has not already done so by the date of issuance of this Order, its revised local, access and long distance tariffs. The revised tariffs should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to [etariff@psc.sc.gov](mailto:etariff@psc.sc.gov) to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariffs should be made using the ETariff System. The revised tariffs shall be consistent with the findings of this Order and



agreements with other parties to this case. The revised tariffs shall be consistent with the Commission's Rules and Regulations, and shall be filed as stated within 30 days of receipt of this Order.

4. The Company's service is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

6. Global Connection shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Global Connection changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and termination of toll calls within the same LATA, Global Connection shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, Global Connection shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

8. In addition to the financial filings required supra, Global Connection shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Global Connection shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at the ORS's website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1<sup>st</sup>**. Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31<sup>st</sup>** of each year. The proper form for filing gross receipts information can be found at the ORS website at www.regulatorystaff.sc.gov, and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the South Carolina Universal Service Fund ("USF") Contribution Worksheet, which may be found on the ORS's website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each telecommunications company's liability to the State USF fund. The South Carolina Universal Service Fund Contribution Worksheet is due to be filed annually no later than **July 1<sup>st</sup>** with the Commission and ORS.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests, and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Global Connection shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the ORS website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov); this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

10. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

11. Global Connection requested a waiver of 26 S.C. Code Ann. Regs. 103-610 and 103-612.2.3. The Commission finds Global Connection’s requested waivers reasonable and understands the potential difficulty presented to Global Connection should the waivers not be granted. The Commission therefore grants the requested waivers, and continues the waiver of use of the USOA. However, Global Connection shall make available its books and records at all reasonable times upon request by the Office of Regulatory Staff, and Global Connection shall promptly notify the Commission and ORS if the location of its books and records changes.


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12. This Order shall remain in full force and effect until further Order of the Commission.

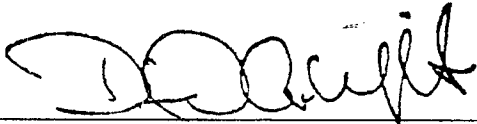
BY ORDER OF THE COMMISSION:



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John E. Howard, Chairman

ATTEST:



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David A. Wright, Vice Chairman  
(SEAL)